

Private Sector Banks

Sl. No.	Name of Bank	No. of times inspected during the last 3 years (i.e. April-March 94-95, 95-96, 96-97)
1.	Bank of Madura Ltd.	2
2.	Bank of Rajasthan Ltd.	2
3.	Bariely Corporation Bank Ltd.	2
4.	Benaras State Bank Ltd.	3
5.	Bharat Overseas Bank Ltd.	2
6.	Catholic Syrian Bank Ltd.	3
7.	Federal Bank Ltd.	1
8.	Jammu & Kashmir Bank Ltd.	1
9.	Karnataka Bank Ltd.	3
10.	Karur Vysya Bank Ltd.	1
11.	City Union Bank Ltd.	1
12.	Lakshmi Vilas Bank Ltd.	1
13.	Lord Krishna Bank Ltd.	2
14.	Nedungadi Bank Ltd.	2
15.	Punjab Cooperative Bank Ltd.	2
16.	Ratnakar Bank Ltd.	2
17.	Sangli Bank Ltd.	2
18.	South Indian Bank Ltd.	2
19.	Tamilnad Mercantile Bank Ltd.	2
20.	United Western Bank Ltd.	2
21.	Vysya Bank Ltd.	2
22.	Dhanalakshmi Bank Ltd.	2
23.	Nainital Bank Ltd.	2
24.	Ganesh Bank of Kurundwad Ltd.	2
25.	Bari Doab Bank Ltd.	1
26.	Sikkim Bank Ltd.	1
27.	Kashinath Seth Bank Ltd.	1
28.	Indus Ind Bank Ltd.	1
29.	ICICI Bank Ltd.	1
30.	Global Trust Bank Ltd.	1
31.	HDFC Bank Ltd.	2
32.	Centurion Bank Ltd.	1
33.	Bank of Punjab Ltd.	1
34.	Times Bank Ltd.	1
35.	SBI Commercial & International Bank Ltd.	1
36.	IDBI Bank Ltd.	2
37.	Development Credit Bank Ltd.	1
38.	UTI Bank Ltd.	2

Price of Natural Rubber

34. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state:

(a) whether the price of natural rubber has come down this year from the rate which prevailed during January-February, 1996;

(b) whether farmers are in great agony due to crash in price;

(c) if so, the reasons therefor with the details of price month-wise from January, 1996 to February, 1997;

(d) whether the Government have taken any steps to provide remunerative or adequate price to farmers;

(e) if so, the details thereof and if not, the reasons therefor;

(f) whether the State Trading Corporation has started to procure natural rubber;

(g) if so, the details and if not, the reasons therefor; and

(h) the time by which the STC is likely to be started procurement of natural rubber?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) No, Sir. The price has not come down to unremunerative level.

(c) Does not arise.

(d) to (e) Does not arise in view of (b) above.

(f) to (h) As a part of their commercial operations, STC jointly with Kerala State Coop. Rubber Marketing Federation, Cochin, has purchased till date a quantity of 374 MT Natural Rubber (out of 510 MT ordered)

[Translation]

Assistance from National Renewal Fund

35. SHRI N.J. RATHWA : Will the Minister of INDUSTRY be pleased to state:

(a) whether Government of Gujarat had sent any proposal to the Union Government during the last three years, so far, regarding assistance from National Renewal Fund (NRF) ;

(b) if so, details of these proposals, year-wise, accepted, rejected and still under consideration;

(c) the reasons therefor; and

(d) by when these proposals are likely to be accepted?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) Yes, Sir. Two proposals from the Government of Gujarat have been received for assistance

from the National Renewal Fund for restructuring of the Gujarat State Textile Corporation Ltd. and Area Regeneration Scheme for closed textile mills, under liquidation. The amount of assistance sought from the National Renewal Fund for the above two proposals is Rs. 96.83 crores and Rs. 168.37 crores, respectively. Assistance from National Renewal Fund is available only for Voluntary Retirement Schemes in Central Public Sector Enterprises and Schemes for counselling, retraining and redeployment of rationalised workers.

[English]

Central Board to deal with Bank Frauds

36. SHRI PRAMOD MAHAJAN :
SHRI BIR SINGH MAHATO :
SHRI T. GOPAL KRISHNA :
DR. M. JAGANNATH :
SHRI NITISH KUMAR :
SHRI SURENDRA YADAV :
SHRI KRISHAN LAL SHARAMA :
RPOF. AJIT KUMAR MEHTA :
SHRI K. PRADHANI :
SHRI CHITTA BASU :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to set up a Board to deal with bank frauds and recommend ways and means to improve the management of the nationalised banks;

(b) if so, the details thereof;

(c) the role of the CBI as well as the Board in the investigation of bank frauds; and

(d) other steps being taken to deal with bank frauds?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) An assurance was given by the then Finance Minister in the Parliament in 1992 that government was considering establishment of a separate Special Bureau of Frauds to deal with serious frauds in banks and financial institutions. The scope of the Special Bureau had been under examination in consultation with Reserve Bank of India (RBI). On a subsequent examination of the matter it was felt that since banks are commercial institutions engaged in the business of lending which necessarily involves associated commercial risks and since a distinction is required to be made between cases of *bonafide* commercial judgement leading to loss and acts of malfeasance/criminal negligence, the jurisdiction of the CBI may not be excluded but a suitable mechanism may be put in place to isolate cases of criminality and malfeasance in banking transactions so that such cases can be expeditiously dealt with and investigated by CBI. RBI have since set up an Advisory Board on Bank Frauds to advise RBI on cases referred by the Central Bureau of Investigation (CBI) either directly or through Ministry of Finance for investigation/registration of cases against bank officers of the rank of General Manager and above.

For prevention of frauds and irregularities in public sector banks, steps have been taken for strengthening the internal control and audit systems. Board level Management Committees and Audit Committees have been set up. Public sector banks have also been advised by the RBI to appoint concurrent auditors at their large and extra large branches with a view to detect non-adherence to laid down procedures and prevent irregularities and frauds, if any, without loss of time. All public sector banks have vigilance machinery which is responsible for preventive and detective steps so as to prevent frauds and corrupt practices by the bank officials.

RBI constantly reviews the working of internal inspection and vigilance machinery of banks. RBI has also issued comprehensive guidelines for strengthening the control mechanism in banks. It also carries out a review of fraud cases on a continual basis advising the banks of *modus-operandi* in ingenious cases along with required safeguards to prevent their recurrence, proper training of operational personnel and investigations and scrutiny into reported cases of major frauds. RBI also conducts snap inspections of systems and procedures and control arrangements in frauds prone areas. In addition to on-site inspection which are conducted at prescribed intervals, RBI have put in place the mechanism of off-site monitoring system to enable improved supervision. In order to exercise integrated supervision over the financial system the Board for Financial Supervision (BFS) with its Advisory Council was constituted in 1994.

Export of Handloom Goods

37. SHRI GEORGE FERNANDES :
SHRI MAHESH KUMAR M. KANODIA :
DR. RAMA KRISHNA KUSMARIA :
SHRI A.G.S. RAM BABU :

Will the Minister of TEXTILES be pleased to state

(a) the total value of textiles particularly of raw cotton and fabrics exported during the last three years;

(b) the total value of handloom clothes exported during the above period and the foreign exchange earned therefrom;

(c) the names of the countries to whom it has been exported; and

(d) the steps taken to promote the export of textiles particularly of handloom clothes?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b) The exports of cotton textiles during the last three years have been as follows:

	value (Rs. Crores)		
	1993-94	1994-95	1995-96
1	2	3	4
Cotton Textiles (Fabrics, made-ups & yarn)	6300.92	8738.66	10390.04